

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
EL PASO DIVISION**

IN RE: § § CASE NO 21-30071
THE GATEWAY VENTURES, LLC, § §
Debtor. § §

**GLOBAL RESPONSE AND OBJECTION OF REORGANIZED DEBTOR
TO MATTERS SET FOR HEARING ON MAY 30, 2023 (RE: DOCKET
NOS. 454, 455, 456, 457, 460, 472)**

TO THE HONORABLE H. CHRISTOPHER MOTT, U.S. BANKRUPTCY JUDGE:

The Gateway Ventures LLC, reorganized debtor (“TGV”) files this global response and objection to the matters set for hearing on May 30, 2023 and in support thereof would show the Court the following.

1. The method and/or manner of any sales process in this Court has been under the control of Legalist for at the last eight (8) months.
2. The most recent sale process demonstrates the disconnect of Legalist with the reality of the property. The biggest or worst example of this was the requirement for a \$1 million down payment before any bid would be considered.
3. TGV has done nothing to thwart the sale process(es) sought by Legalist, and TGV has only exercised its rights and remedies permitted under applicable law, which had nothing to do with the instant sale process of Legalist.
4. TGV kept Legalist routinely informed of the efforts of TGV to obtain financing to resolve the Legalist indebtedness. The number of proposals referenced in the pleadings of Legalist

is a misnomer and instead demonstrates the options sought by TGV and various scenarios under discussion, which TGV provided as regular updates to Legalist.

5. A closing scheduled in December, 2022 was thwarted by a CBRE appraisal that applied a method of valuation to the property never before used.

6. The commitment that TGV provided in March, 2023 to Legalist expired due to inaction by Legalist.

7. Legalist for its part has denied any resolution of the indebtedness by insisting on unrealistic and impossible demonstrations of a willingness of a lender to close a transaction. Instead of working towards resolving the indebtedness (for example, by opposing a global mediation), Legalist provides no business-like communications and a moving target which no lender is able to meet while needlessly permitting additional default interest and fees to accumulate.

8. Legalist stated in open Court on March 14, 2023 that if the sale process did not result in any bids, and/or if an entity related to Michael Dixson wished to bid, then Legalist would accept that offer.

9. TGV is aware that Michael Dixson and/or 6767 Gateway LLC (“6767”) submitted a bid of \$12 million prior to the bid deadline.

10. Undoubtedly, a \$12 million offer is by far the highest and best offer with respect to the property.¹

11. In connection with that bid, Legalist through Mr. Chris Wren contacted the lender of TGV and/or 6767 to verify the intentions and availability of the lender to fund the transaction, which intentions and availability the lender confirmed to Mr. Wren.

¹ Mr. Dixson provided an additional component to this offer to Legalist on May 26, 2023.

12. Accordingly, the offer of TGV and/or 6767 should be declared to be the winning bid under the TGV sale process, and the Court should set a deadline of thirty (30) days for the Legalist and the bidder to close the transaction.

WHEREFORE, the Reorganized Debtor respectively request that the Court to declare that the offer submitted by TGV and/or 6767 Gateway LLC is the successful bidder and order Legalist to close on the \$12 million offer. Reorganized Debtor especially requests such other and further relief to which it is entitled at law or in equity.

Dated: May 30, 2023

Respectfully submitted:

WEYKER, KAPLAN, PULASKI & ZUBER, P.C.

By: /s/ Jeff Carruth

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ATTORNEYS FOR
THE GATEWAY VENTURES, LLC
REORGANIZED DEBTOR

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served on May 30, 2023 by electronic notice only to all ECF users who have appeared in each case to date, as set forth below and whose mailing addresses appear in the attached address list (i.e. mailing matrix) obtained from the Court's PACER facility as attached below.

/s/ Jeff Carruth
JEFF CARRUTH

ECF SERVICE LIST

21-30071-hcm Notice will be electronically mailed to:

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REGULAR MAIL

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The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

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